

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE**

In re:)
TARDY-CONNORS GROUP, LLC,) Chapter 11
Debtor.) Case No. 10-10060 LHK
)

)

**UNITED STATES TRUSTEE'S MOTION
TO CONVERT DEBTOR'S CHAPTER 11 CASE TO CHAPTER 7**

Pursuant to 28 U.S.C. § 586(a)(3); 11 U.S.C. §§105(a), 307 and 1112(b); and Fed. R. Bankr. P. 1017, the United States Trustee hereby moves the Court to convert the above captioned Chapter 11 case of Tardy-Connors Group, LLC (the “Debtor”) to a proceeding under Chapter 7 of the United States Bankruptcy Code (the “Code”). In support of this Motion, the United States Trustee states as follows:

1. The Court has jurisdiction over this matter under 28 U.S.C. §§ 157 and 1334.

This is a core proceeding under 28 U.S.C. § 157(b)(2)(A). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The Debtor filed its voluntary petition for relief under Chapter 11 of the Code on January 21, 2010 (the “Petition Date”).

3. The Debtor was engaged in the business of manufacturing furniture, d/b/a Moosehead Furniture Company, at a facility located in Monson, Maine. Upon information and belief, as of the Petition Date, the Debtor had ceased its business operations.

4. On April 23, 2010, Machias Savings Bank (“MSB”) filed a Motion for Relief from Stay, seeking permission from the Court to enforce certain loan documents and pursue claims against the real property and business assets owned by the Debtor, which had been pledged as security to MSB in consideration for the monies loaned by MSB to the Debtor.

Docket Entry No. 50.

5. On June 18, 2010, the Court entered a consented-to Order Granting MSB's Motion for Relief from Stay. Docket Entry No. 59.

6. On August 31, 2010, MSB held a public auction of the Debtor's real property and substantially all of its business assets.

7. Upon information and belief, the Debtor no longer has assets to operate the business it was previously engaged in.

8. Pursuant to 11 U.S.C. § 1112(b), cause exists to convert the Debtor's Chapter 11 case to a proceeding under Chapter 7 of the Code. Specifically, the Debtor is no longer an operational entity; it no longer has any assets of value; and it does not have the means to prepare and confirm a plan of reorganization.

9. Pursuant to Rule 9013-1(b) of the Local Rules for the United States Bankruptcy Court for the District of Maine, the United States Trustee consulted with counsel to the Debtor regarding the relief requested in this Motion. The Debtor consents to the conversion of its case to a proceeding under Chapter 7 of the Code.

WHEREFORE, the United States Trustee respectfully requests that the Court enter an order converting this case to a proceeding under Chapter 7 of the Code and granting such other relief which the Court deems just and proper.

Dated: November 29, 2010

Respectfully submitted,

WILLIAM K. HARRINGTON
UNITED STATES TRUSTEE

By: /s/ Jennifer H. Pincus
Jennifer H. Pincus
United States Department of Justice
537 Congress Street, Suite 303
Portland, ME 04101
(207) 780-3564 – Ext. 202
Jennifer.H.Pincus@usdoj.gov

CERTIFICATE OF SERVICE

I, Sarah M. Farwell, being over the age of eighteen and an employee of the United States Department of Justice, U.S. Trustee Program, hereby certify that on November 29, 2010, I electronically filed the above ***United States Trustee's Motion to Convert Debtor's Chapter 11 Case to Chapter 7***, a proposed Order, Notice of Hearing, and this Certificate of Service, which were served upon each of the parties set forth on this Service List via U.S. mail, postage prepaid, on November 29, 2010.

All other parties listed on the Notice of Electronic Filing have been served electronically.

Dated at Portland, Maine this 29th day of November, 2010.

/s/ Sarah M. Farwell

Service List:

N/A